

ANCHOR BRAKE SHOE WARRANTY

Anchor Brake Shoe (the “Seller”) warrants that all goods manufactured hereunder [are fit for the ordinary purposes for which such goods are used and] will be free from defects in materials and workmanship for one year from the date of installation and no more than 100,000 miles of service (the “Warranty Period”).

The liability of the Seller under this warranty shall be limited to repair or replacement (F.O.B point of origin) of the non-conforming goods or refund of the actual unit price paid for the non-conforming goods, at the Seller’s option, provided that written notice of such non-conformity describing the same is given to the Seller within the Warranty Period. All returns for repair or replacement must be approved by the Seller in advance.

If the goods manufactured and sold by the Seller hereunder are railroad products, in determining whether rejected or returned goods are non-conforming, the Seller shall refer to the standards, rules and regulations of the Association of American Railroads (AAR) where applicable.

THE FOREGOING LIMITED WARRANTY IS IN LIEU OF ANY OTHER WARRANTIES; EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS OF PARTICULAR PURPOSE, AND ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED.

This Warranty does not cover and shall not apply to any goods specified, designed, manufactured or sold by others and used in connection with goods manufactured and sold by the Seller hereunder. Such goods specified, designed, manufactured or sold by others shall have only such warranties as are extended by the supplier of such goods, and the Seller is not warrantor under, and does not adopt, any such warranties made by any other person. The Seller is not responsible for the performance of any other supplier under its warranty.

This Warranty does not cover failures or other problems relating to accident, product alteration, abuse or misuse, inappropriate applications, improper installations or assembly, incorrect maintenance or failure to perform normal and routine maintenance.

The foregoing is the Seller’s only obligation and the Buyer’s exclusive remedy for breach of warranty and shall be the Buyer’s exclusive remedy against the Seller for all claims arising hereunder or relating hereto whether such claims are based on breach of contract, tort (including negligence and strict liability) or other theories. The Buyer’s failure to submit a claim as provided above shall specifically waive all claims for damages or other relief, including claims based on latent defects. The Seller’s total liability under this Warranty shall in no event exceed the purchase price of the goods found non-conforming.

In no event shall the Seller have any liability to the Buyer or any other person hereunder for any other loss of damage of any kind, including but not limited to consequential damages, special damages, lost earnings or profits, or business interruption, or for any labor charges, other expense, loss or damages caused by non-conforming goods.